

**1999**  
FORM  
**N-35**  
(REV. 1999)

STATE OF HAWAII—DEPARTMENT OF TAXATION

**S CORPORATION INCOME TAX RETURN**

For calendar year 1999 or other tax year

beginning • \_\_\_\_\_, 1999 and ending • \_\_\_\_\_, \_\_\_\_\_

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• PRINT OR TYPE •	Name		Federal Employer I.D. No. •
	Dba or C/O		Hawaii G.E./Use I.D. No. •
	Address (number and street)		Business Code No. (Use number shown on federal Form 1120S) •
	City or town, State, and ZIP Code	Enter the number of Schedules NS attached to this return •	Date of federal election as an S corporation

**CAUTION: Include only trade or business income and expenses on lines 1a through 20. See Instructions for more information.**

INCOME	1	a Gross receipts or sales \$•	b Less returns and allowances \$•	c Bal▶	1c•			
	2	Cost of goods sold (Schedule A, line 8) . . . . .				2•		
	3	Gross profit (line 1c minus line 2) . . . . .				3		
	4	Net gain or (loss) from Schedule D-1, Part II, line 20 (attach Schedule D-1) . . . . .				4•		
	5	Other income (see Instructions)(attach schedule) . . . . .				5•		
	6	TOTAL income (loss) — Add lines 3 through 5 and enter here. . . . . ▶				6		
DEDUCTIONS	7	Compensation of officers . . . . .				7		
	8	Salaries and wages (less employment credit) . . . . .				8		
	9	Repairs and maintenance . . . . .				9		
	10	Bad debts (see Instructions) . . . . .				10		
	11	Rents . . . . .				11		
	12	Taxes and licenses (attach schedule) . . . . .				12		
	13	Deductible interest expense not claimed or reported elsewhere on return. (see Instructions) . . . . .				13		
	14	a Depreciation from federal Form 4562 . . . . .	14a			14c		
		b Less depreciation claimed on Schedule A and elsewhere on return . . . . .	14b					
		c Enter line 14a minus line 14b . . . . .						
	15	Depletion (Do not deduct oil and gas depletion. See Instructions) . . . . .				15		
	16	Advertising . . . . .				16		
	17	Pension, profit-sharing, etc. plans . . . . .				17		
	18	Employee benefit programs . . . . .				18		
19	Other deductions (attach schedule) . . . . .				19			
20	TOTAL deductions — Add lines 7 through 19 and enter here. . . . . ▶				20•			
21	Ordinary income (loss) from trade or business activities — line 6 minus line 20 (To Sch. K, line 1) . . . . . ▶				21			
TAX & PAYMENTS	22	a Excess net passive income tax (attach schedule(s)) . . . . .	22a•			22d•		
		b Tax from Schedule D, line 28 . . . . .	22b•					
		c Number of N-4's attached is • . . . . . Amount due on N-4's attached . . . . .	22c•					
		d Add lines 22a, 22b, and 22c . . . . .						
	23	a 1998 overpayment allowed as a credit . . . . .	23a•			23d•		
		b 1999 estimated tax payments from N-3 . . . . . N-288	23b•					
		c Payments with extension (attach Form N-301) . . . . .	23c•					
		d Add lines 23a, 23b, and 23c . . . . .						
	24	Underpayment of estimated tax penalty. (see Instructions.) Check if Form N-220 is attached. . . . . ▶ <input type="checkbox"/>				24•		
	25	OVERPAYMENT (If line 23d is larger than the total of lines 22d and 24), enter AMOUNT OVERPAID. . . . .				25•		
	26	Enter amount of line 25 you want <b>Credited to 2000 estimated tax</b> ▶ 26a \$• <b>Refunded</b> ▶				26b•		
	27	TAX DUE (If the total of lines 22d and 24 is larger than line 23d) enter the amount due. Make payment by certified or cashier's check made payable to "Hawaii State Tax Collector." . . . . .				27•		

**DECLARATION**

I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete, made in good faith, for the taxable year stated, pursuant to the Hawaii Income Tax Law, Chapter 235, HRS. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

▶•	Signature of officer	Date	▶	Title
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Paid Preparer's Information

Preparer's Signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's identification number
Firm's name (or yours if self-employed) and address ▶		Federal E.I. No. ▶	
		ZIP CODE ▶	

**Schedule A Cost of Goods Sold (See Instructions for Schedule A)**

1	Inventory at beginning of year . . . . .	1		
2	Purchases . . . . .	2		
3	Cost of labor . . . . .	3		
4	Additional IRC section 263A costs (see federal Instructions and attach a schedule) . . . . .	4		
5	Other costs (attach schedule) . . . . .	5		
6	Total—Add lines 1 through 5. . . . . ➤	6		
7	Inventory at end of year . . . . .	7		
8	Cost of goods sold—Line 6 minus line 7. (Enter here and on page 1, line 2) . . . . . ➤	8		

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market as described in IRC Regulations section 1.471-4 (see Instructions)

(iii) ☐ Writedown of "subnormal" goods as described in IRC Regulations section 1.471-2(c) (see Instructions)

(iv) ☐ Other (specify method used and attach explanation) ➤ . . . . .

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach federal Form 970) . . . . . ☐

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO . . . . .

9c		
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d Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? . . . . . ☐ Yes ☐ No

e Was there any change in determining quantities, cost or valuations between opening and closing inventory? . . . . . ☐ Yes ☐ No

If "Yes," attach explanation.

**Schedule B Other Information**

	Yes	No
1 Check method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ➤ _____		
2 a Date of incorporation _____ b Date business began in Hawaii _____		
c Under laws of _____		
3 Refer to the listing of Business Activity Codes at the end of the federal Instructions for Form 1120S and state your principal: Business Activity ➤ _____; Product or service ➤ _____		
4 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see IRC section 267(c).) If "Yes" attach a schedule showing: (a) name, address and employer identification number and (b) percentage owned. . . . .		
5 Enter the number of shareholders in the corporation at the end of the tax year who are: residents of Hawaii _____ nonresidents of Hawaii _____		
6 Was the corporation's election under S Corporation of Chapter 1 of the Internal Revenue Code in effect for the current taxable year? . . . . .		
7 Did the corporation derive income from sources outside Hawaii which is not includable in the Hawaii return? . . . . .		
8 During this tax year did you maintain any part of your tax accounting/tax records on a computerized system? . . . . .		
9 Was this corporation in operation at the end of 1999? . . . . .		
10 How many months in 1999 was this corporation in operation? ➤ _____		
11 If the corporation: (1) filed its election to be an S corporation after 1986, (2) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (3) has net unrealized built-in gain (defined by IRC section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. . . . . \$ _____		

**Designation of Tax Matters Person (See Instructions.)**

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return, if one has been designated:

Name of designated TMP ➤

Identifying number of TMP ➤

Address of designated TMP ➤

**Schedule K Shareholders' Share of Income, Credits, Deductions, etc. (See Instructions)**

a. Distributive share items		b. Attributable to Hawaii		c. Attributable Elsewhere	
Income (Losses) and Deductions					
1	Ordinary income (loss) from trade or business activities (page 1, line 21) . . . . .			1	
2	Net income (loss) from rental real estate activities (attach federal Form 8825) . . . . .			2	
3 a	Gross income from other rental activities . . . . .			3a	
b	Expenses from other rental activities(attach schedule) . . . . .			3b	
c	Net income (loss) from other rental activities. Line 3a minus line 3b . . . . .			3c	
4	Portfolio income (loss):				
a	Interest income . . . . .			4a	
b	Dividend income . . . . .			4b	
c	Royalty income . . . . .			4c	
d	Net short-term capital gain (loss) (Schedule D (Form N-35)) . . . . .			4d	
e	Net long-term capital gain (loss) (Schedule D (Form N-35)) . . . . .			4e	
f	Other portfolio income (loss) (attach schedule) . . . . .			4f	
5	Net gain (loss) under IRC section 1231 (other than due to casualty or theft) (attach Schedule D-1)			5	
6	Other income (loss) (attach schedule) . . . . .			6	
<b>Deductions</b>					
7	Charitable contributions (attach schedule) . . . . .			7	
8	IRC section 179 expense deduction (attach federal Form 4562) . . . . .			8	
9	Deductions related to portfolio income (loss) (attach schedule) (see Instructions). . . . .			9	
10	Other deductions (attach schedule) . . . . .			10	
<b>Investment Interest</b>					
11 a	Interest expense on investment debts paid or accrued in 1999 . . . . .			11a	
b (1)	Investment income included on lines 4a, 4b, 4c and 4f, above. . . . .			11b(1)	
(2)	Investment expenses included on line 9, above . . . . .			11b(2)	
<b>Credits</b>					
12 a	Fuel Tax Credit for Commercial Fishers (attach Form N-163A) . . . . .			12a	
b	Total cost of property qualifying for the Capital Goods Excise Tax Credit (see Instructions) .			12b	
c	Credit for Energy Conservation (attach Form N-157A). . . . .			12c	
d	Amounts needed to claim the Enterprise Zone Tax Credit (see Instructions). . . . .	See Instructions		12d	
e	Hawaii Low-Income Housing Tax Credit (attach Form N-586)				
(1)	From partnerships to which IRC section 42(j)(5) applies for property placed in service before 1990 . .			12e(1)	
(2)	Other than on line 12e(1) for property placed in service before 1990 . . . . .			12e(2)	
(3)	From partnerships to which IRC section 42(j)(5) applies for property placed in service after 1989 . .			12e(3)	
(4)	Other than on line 12e(3) for property placed in service after 1989 . . . . .			12e(4)	
f	Credit for Employment of Vocational Rehabilitation Referrals (attach Form N-884). . . . .			12f	
g (1)	Total production costs qualifying for the Motion Picture and Film Production Income Tax Credit . . . . .			12g(1)	
(2)	Total transient accommodations costs qualifying for the Motion Picture and Film Production Income Tax Credit . . . . .			12g(2)	
h	Credits for High Technology (attach Form N-318) . . . . .			12h	
i	Hawaii income tax withheld on Forms N-288 (see Instructions). . . . .			12i	
j	Total Hawaii income tax withheld on Forms N-4 . . . . .			12j	
k	Net income tax paid by the S corporation to states which do not recognize the corporation's "S" status. Identify state(s) . . . . .			12k	
<b>Other Items</b> (Attach a separate schedule if more space is needed for any item.)					
13	Total property distributions (including cash) other than dividend distributions reported on line 18, below. Date of Distribution _____ . . . . .			13	
14	Tax exempt interest income . . . . .			14	
15	Other tax exempt income . . . . .			15	
16	Non-deductible expenses . . . . .			16	
17	Other items and amounts not included on lines 1 through 16, above, that are required to be reported separately to shareholders (attach schedule) . . . . .			17	
18	Total dividend distributions paid from accumulated earnings and profits . . . . .			18	
19	Income (loss) — Combine lines 1 through 6. From the result, subtract the sum of lines 7 through 11a. . . . .			19	
20	Corporate adjustments to income attributable to Hawaii (attach schedule) . . . . .			20	
21	Interest penalty on early withdrawal of savings . . . . .			21	

Page 4

**Schedules L, M-1, and M-2** Attach a copy of page 4 of federal Form 1120S to this return.

**Schedule N List of Shareholders** (Attach a separate sheet if more space is needed)

Name and Address	SSN or FEIN	No. of shares owned at all times during the year	State of Residence	Year Sch. NS filed, if any (Indicate if revoked)	Amount of Payment on Form N-4 attached
1					
2					
3					
4					
5					

**Schedule O Apportionment of Income (See Attributable to Hawaii in the Instructions.)**

1	Ordinary income (loss) from trade or business activities (From page 1, line 21) .....		
2	Apportionment factor (From Schedule P, line 8) .....		%
3	Business income apportioned to Hawaii (line 1 multiplied by line 2) (To Schedule K, line 1, col. b) .....		
4	Business income apportioned elsewhere (line 1 minus line 3) (To Schedule K, line 1, col. c) .....		
5	Are the the totals of columns b and c, Schedule K, lines 2 through 6, and the amounts shown on Schedule P, column B, the same as those reported in returns or reports to other states under the Uniform Division of Income for Tax Purposes Act? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	If "No", please explain .....		

**Schedule P Computation of Apportionment Factors (See Attributable to Hawaii in the Instructions.)**

Property — (use original cost)	In Hawaii		Total Everywhere	
	Beginning of taxable year	End of taxable year	Beginning of taxable year	End of taxable year
Land				
Buildings				
Inventories				
Leasehold interests*				
Rented Property*				
Other Property				
Total				

\* Enter net annual rent X 8.

	A. In Hawaii	B. Everywhere	
1	Property values (average value of property above) .....		
2	Property factor (line 1, col. A divided by line 1, col. B) .....		%
3	Total compensation .....		
4	Payroll factor (line 3, col. A divided by line 3, col. B) .....		%
5	Total sales .....		
6	Sales factor (line 5, col. A divided by line 5, col. B) .....		%
7	Total of factors (add lines 2, 4, and 6) .....		%
8	Average of factors (divide line 7 by 3) (To Schedule O, line 2). .....		%